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UNCLAS SECTION 01 OF 03 BEIJING 001432

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NSC FOR LOI

E.O. 12958: N/A
TAGS: [SENV](#) [ENRG](#) [KGHG](#) [CH](#) [KN](#) [KS](#)
SUBJECT: CODEL KERRY MEETING WITH PRC NPC FOREIGN AFFAIRS
COMMITTEE CHAIRMAN LI ZHAOXING

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SUMMARY

1. (SBU) Chinese National People's Congress (NPC) Foreign Affairs Committee Chairman Li Zhaoxing and Senator John Kerry (D-MA) May 27 both noted multiple avenues for cooperation on climate change at the December 2009 UN Conference on Climate Change in Copenhagen. Twenty-nine pieces of environmental protection legislation had passed the NPC, and China was now learning from the U.S. experience of three decades ago, said Li. Senator Kerry told Chairman Li that the United States now had the technology to help China avoid making the same mistakes it had, and if China purchased climate change technology from the United States, it would gain more efficient companies with lower production costs. China's large population and "unbalanced" development made solving this problem more difficult, said Chairman Li. The best Chinese iron and steel plants rivaled those in the United States, but the vast majority were "still backward" and unable to afford green technology. Senator Kerry emphasized that if China continued to develop the way it was going, there would be massive repercussions. Chairman said he agreed, but underscored that countries should modernize in accordance with the common goals and principles of Bali and Kyoto. END SUMMARY.

2. (U) Participants:

U.S. Participants

Senator John Kerry (D-MA)
Mrs. Teresa Heinz Kerry
A/DCM William Weinstein
Frank Jannuzi, Professional Staff Member, Senate Foreign Relations Committee
Kathleen Frangione, Professional Staff Member, Senate Foreign Relations Committee
LT Mitch McGuffie, Navy Escort
Christopher Green, First Secretary

Alex Berenberg, Notetaker

Chinese Participants

Li Zhaoxing, Chairman, Foreign Affairs Committee of the
National People's Congress
Other NPC officials

Pelosi Visit, Shanghai Initiatives

13. (SBU) At a May 27 lunch meeting, Chinese National People's Congress (NPC) Foreign Affairs Committee Chairman Li Zhaoxing noted to Senator John Kerry (D-MA) that Speaker of the House Nancy Pelosi's recent visit to China had focused on bilateral cooperation on environmental protection, and while in Shanghai she had learned about the new energy conservation measures in place there. Factories built after 2006 must be fifty percent more energy efficient; car use was discouraged and there were subsidies for those who used public transportation, said Li. China, and particularly Shanghai, could learn much from the United States in the field of wind energy, he added. Senator Kerry highlighted that China was the world largest producer of solar panels, so both countries had much to learn from one another.

Copenhagen Conference and Cooperation on Climate Change

14. (SBU) Chairman Li emphasized that U.S.-China "commonalities" on climate change "far exceed differences." The two countries were the largest oil importers, largest

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energy emitters, and largest energy consumers, so there were multiple avenues for cooperation at the December 2009 UN Conference on Climate Change in Copenhagen on environmental protection, energy conservation, and climate change. Senator Kerry underscored that if China and the United States acted, "everyone would follow," and it would frame Copenhagen's outcome. Li said he agreed that China and the United States should mobilize other countries to "tackle the challenge together." In the Arctic, noted Li, Russia and the Northern European countries had an "important role to play." African countries faced the threat of desertification and the tropical rainforests of Latin America were in danger of becoming "tropical grasslands." Li remarked that he had seen a photo comparison of Oregon's Mt. Hood a few decades ago and today, noting the lack of its snowcap.

NPC Committee Responsibilities

15. (SBU) Li said he was a "freshman" in the NPC, and explained the three main responsibilities of the Foreign Affairs Committee were foreign policy-related legislation, supervision of the State Council, Supreme People's Court, and People's Procuratorate, and exchanges with foreign countries promoting China's "peaceful development." In addition, the Foreign Affairs Committee was responsible for the foreign liaison activities of other committees, ensuring that meetings were "mutually beneficial and on an equal footing." The NPC environmental protection and resources committee was responsible for related legislation, and 29 pieces of environmental protection legislation had passed the NPC; China had learned from the U.S. experience of three decades ago, Li stated. The latter committee also supervised inspections and recommended shutting down violators whose emissions exceeded permissible levels.

Purchasing Clean Energy Technology

¶16. (SBU) Senator Kerry told Li that the United States now had the technology to help China avoid making the same mistakes it made decades earlier, including technology to make power plants 50 percent cleaner, cutting 35-40 percent of greenhouse gases and at less cost, paying for itself in the first twenty years. Regarding the 4,450 coal fired power plant units in China today that are under 50MW, said the Senator, all could be converted to solar power with today's technology. Senator Kerry noted that if China purchased climate change technology from the United States, it would gain more efficient companies with lower production costs and the United States would gain as well.

¶17. (SBU) China's large population made solving this problem more difficult, said Chairman Li. The situation in China was "unbalanced," with the best iron and steel plants rivaling those in the United States, but the vast majority "still backward" and unable to afford green technology. According to Chinese government statistics, 43 million people lived below the poverty line in China and by the standard of 1 USD per person per day, there were 140 million living in poverty. Although China's GDP was now third in the world, its per capita GDP was far behind. He also noted difficulties in purchasing technology from the United States, with restrictions on dual-use items as well as high prices.

Need for Action

¶18. (SBU) Senator Kerry emphasized that China's economy and

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impact were so great that it was not appropriate to talk solely on a per capita level. "The atmosphere doesn't measure that way," he said. If China continued to develop the way it was going, there would be massive repercussions. Scientists were more urgent with him in private than they were in public, and there was "bigger" damage happening "faster" than expected, explained the Senator. Once the United States and China agreed on a way forward, the marketplace would factor the carbon costs into decisions, leading to a transformation of the economy, he said. Chairman Li said he "could not agreed more" with Senator Kerry's assessment and analysis, and China and the United States should work together to ensure that a "tragic situation" would not take place. However, Li said countries should modernize in accordance with the common goals and principles of Bali and Kyoto. On a per capita GDP basis, China ranked 103th or 104th in the world, he stated.
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